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SUBJECT: MEDIA REACTION: U.S.-CHINA-TAIWAN RELATIONS,
CHINESE BID FOR UNOCAL

1. Summary: Amid the extensive coverage July 16-19 of Typhoon Haitang hitting Taiwan and Taipei Mayor Ma Ying-jeou winning the KMT chairmanship election, almost all major Chinese-language newspapers in Taiwan also reported on People's Liberation Army (PLA) Major General Zhu Chenghu's remarks last Friday about using nuclear weapons against the United States in a conflict over Taiwan. The pro-independence "Liberty Times," Taiwan's biggest daily, ran a banner headline on its front page July 16 that read: "People's Liberation Army speaks boldly of nuclear attacks [against the United States]; United States furious [about the remarks]." The "Liberty Times" also spent most of its page three covering Zhu's remarks; the main article ran with the headline: "Intimidation of nuke attacks shatters [China's false impression of] peaceful rising." The pro-independence "Taiwan Daily," likewise, spent almost the whole of its page two July 16 reporting on Zhu's remarks and U.S. Representative Tom Tancredo's demand for an immediate apology from China over them.

2. In terms of editorials, the pro-independence "Liberty Times," "Taiwan Daily," and limited-circulation, English-language "Taipei Times" all commented on Zhu's remarks. They said Zhu's remarks have confirmed the "China threat theory" and have shattered China's false appearance of "peaceful rising." Several newspapers also editorialized on China's bid for Unocal. A "Liberty Times" editorial said China's bid for Unocal highlights its hegemonic ambition. An editorial in the limited-circulation, conservative, pro-unification, English-language "China Post," however, merely said China's appetite for oil and other resources is too big to be ignored. End summary.

1. U.S.- China-Taiwan Relations

A) "China's Intimidation of Using Nukes [on the United States] Confirms the China Threat Theory"

The pro-independence "Liberty Times" [circulation: 800,000] editorialized (7/19):

". To promote its plan of becoming a hegemonic power, China has . not merely created trouble in the international community to divide U.S. efforts and attention but also engaged in an energy battle with the United States by laying its hand on a U.S. oil company. China's insistence of not letting its Renminbi appreciate is also a move essential for its trade war with the United States. .

"In the eyes of the outside world, however, all these actions [by China] have just helped to prove that the so-called peaceful rise of China is nothing but a lie to paralyze the people of the world. The China threat theory is, instead, a truer picture. . Beijing's enactment of the 'Anti-Secession Law' and the Chinese military authorities' nuclear challenge to the United States marks [the fact] that China's 'military strength determining theory' has gained an upper hand. The Taiwan people, who will be the first to bear the brunt of [China's threat] must stop daydreaming, remain on high alert, and strengthen [Taiwan's] national defense in an attempt to maintain its sovereignty and safeguard the security of the Taiwan people and their property."

B) "Chinese General Zhu Chenghu's Remarks on 'Using Nukes to Attack the United States' Indicate the Nature of Beijing's Regime as a Warmonger"

The pro-independence "Taiwan Daily" [circulation: 150,000] noted in an editorial (7/19):

". All these reactions have on the one hand, indicated the absurdity of [PLA General] Zhu Chenghu's remarks of using nuclear weapons to attack the United States; they have, on the other hand, highlighted Chinese military's warmongering and conceited attitude and its lack of knowledge of the international situation and world

peace. For a long time, many U.S. military analysts, political observers, and even the State Department believed that as long as Taiwan does not provoke China, no conflicts would occur in the Taiwan Strait. They also believed that even if there were a conflict, it would just be a regional battle limited to the Taiwan Strait. Zhu's statement, however, has posed [a clear] threat to the United States; it reveals that once a conflict breaks out in the Taiwan Strait, the hawk faction inside China's People's Liberation Army will likely attempt to seize the opportunity to enlarge the conflict, provoke the United States and let it pay a price. Zhu's statement was at least sufficient to remind Washington that the problem in the Taiwan Strait, or even the threat to world peace, does not lie in Taiwan but in China. Zhu's statement could also alert those Western countries that mistakenly believe China is 'rising peacefully' to work out a way to address the issue. Judged from such a perspective, the aggressive remarks such as those by Zhu could at least help the Western World, including the United States, to better understand China's threat. .

"We believe the U.S. government must thoroughly recognize that that the Chinese authorities try to create a false impression of [China's] 'peaceful rising' to the United States while at the same time threatening to use force against Taiwan in public by enacting the 'Anti-Secession Law' and by allowing Zhu to make such an unfriendly statement to the United States. China's moves have clearly showed that its guarantee to Washington that it will 'peacefully resolve' the cross-strait issue is neither sincere nor reliable. The United States must see and understand clearly the warmongering nature of China and start to take precautions, or it will be too late should any conflict break out in the Taiwan Strait, followed by a nuclear attack launched by China against the United States, which, as a result, will surely challenge world peace. ."

C) "PLA Recklessness Could Lead to War"

The pro-independence, English-language "Taipei Times" [circulation: 30,000] editorialized (7/16):

". Taiwan apart, one of the main causes of tension between the US and China is the question of energy security. US hopes of keeping oil plentiful and cheap have not only been frustrated by the Iraq debacle but also by the soaring demand for oil in China's economy. This is why the bid for US-owned Unocal by China's CNOOC is so controversial. After Zhu's remarks, it's hard to see the US being relaxed enough to let the takeover go ahead. Add to that the fact that a major US defense review is being conducted in which China is likely to figure large, and now even larger, and there are a number of reasons why Beijing might have preferred that Zhu kept his mouth shut.

"And yet whatever denials Beijing utters should be taken with a grain of salt. It is important to remember that Zhu is the dean of China's National Defense University. Beijing might say that his remarks do not represent official policy, but they certainly represent thinking at the highest levels of the People's Liberation Army. This is very worrying, because it backs up what other sources have been saying for a while about the PLA: That it is the preserve of gung-ho fantasists who think they can take on the US and win. ."

12. Chinese Bid for Unocal

A) "Oil Is Not Just an Ordinary Commodity, Nor is China an Ordinary Country - China's Bid for Unocal Highlights Its Hegemonic Ambition"

The pro-independence "Liberty Times" [circulation: 800,000] commented in an editorial (7/16):

". The aim of China's expansionism, no matter whether it is pushed from the economic, diplomatic or military aspects, is evidently to seek to become a regional hegemonic power in the short term and to compete with the United States to become a superpower in the long term. In the face of China's rising, which has drawn increasing attention [from the world], both the United States and Japan have included cross-strait security as their common strategic objective starting early 2005. Democratic Taiwan, when encountering its only rival, totalitarian China, must be more alert because China could use economic, diplomatic and military means against Taiwan. In addition, China's bid for Unocal also reflects that schemes with regard to political and military security can usually hide behind apparently

commercial behavior. The United States, from the general public to Congress, sees and understands clearly China's nature of attempting to expand itself by means of its state-run enterprises. How can Taiwan, which is just a strait apart from China and also its main target, try to anesthetize itself?"

B) "Beijing's Energy Appetite"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] noted in an editorial (7/16):

". But mainland China's appetite for oil and other resources is too big to be ignored. It is already the world's second largest importer of oil. It has been on a buying spree since last year, trying to grab energy and natural resources from all over the world to fuel its hungry economic engine that also drives the world's economy. Mainland China has a lot of cash to spend. The Unocal bid, for instance, is US\$2 billion higher than that of the other bidder, Chevron. The mainland's foreign reserves could top US\$900 billion by the end of this year, displacing Japan as the world's top holder of foreign exchange reserves."

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